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FEDERAL COMMUNICATIONS COMMISSION  
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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Amendment of the Commission's  
Rules to Establish New Personal  
Communications Services

GEN Docket No. 90-314  
ET Docket No. 92-100

ORIGINAL

COMMENTS OF NORTHERN TELECOM  
ON THE UTAM REPORT

Northern Telecom Inc. ("Northern Telecom") hereby comments on the Report and Recommendation filed by the Unlicensed PCS Ad Hoc Committee for 2 GHz Microwave Transition and Management ("UTAM"). The number and variety of participants in this group provide strong evidence of a great deal of interest in an entity that will clear the unlicensed band quickly to open up the market for these products. The UTAM proposal addresses these needs, and Northern Telecom supports the proposal, with a few minor additions.

Introduction

In Docket 90-314, the FCC recognized that industry "may have an incentive to negotiate relocation agreements with certain microwave licensees in order to gain access to a broader market." In discussions among members of the industry, a consensus developed that a joint effort of unlicensed PCS industry

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participants would be required to begin to clear the unlicensed spectrum of incumbent microwave users before sales of products could occur. As a result of many months of meetings, the UTAM proposal for a microwave transition and management was developed.

Northern Telecom was a participant in this group. We support this proposal and request that the FCC expeditiously approve the entity proposed in the UTAM filing. First, this organization will enable the telecommunications industry to meet the demand for this new technology in a timely manner. Spectrum clearing in the unlicensed band is analogous to the building of highways. Everyone benefits from the new road, but no individual could justify the cost of building it on his own. In addition, this technology will open up new areas of information available to many different users within an organization. Where today information flow is restricted by where wires can be strung, in the future, these constraints will be eliminated. Finally, by opening up the market for unlicensed PCS quickly, it will allow American firms to improve their competitive position overseas and help the economy grow.

Northern Telecom Concurs in the Need  
for a Spectrum Clearing Entity

Northern Telecom recognizes the need to transition the incumbent microwave users out of the bands of unlicensed PCS spectrum. However, unlike the licensed spectrum, there is no one company that benefits from clear spectrum; everyone who manufactures equipment within this band will profit from the

clearing activities. This is similar to the national infrastructure, where there are likely to be significant externalities. In the analogous highway system, everyone benefits from the improved transportation, the fewer hours on the road, the more efficient and flexible shipping industry; however, no one individual would be willing to pay for the costs associated with building the road.

Likewise, it is expected to cost between \$70 million to \$100 million to clean the unlicensed spectrum. No one company has

Nomadic systems are all other unlicensed PCS devices and systems. Northern Telecom supports these definitions and would add one minor alteration: "base station" should be changed to the plural "base stations."

Maintaining a distinction between the two definitions of unlicensed PCS devices is very important. Given the concern over interference with incumbent microwave users, Northern Telecom believes that unlicensed systems cannot generally be installed in areas that are not clear of microwave users operating in the unlicensed bands. However, there have been some calls to prevent deployment of any products in the unlicensed spectrum until all the incumbent users are cleared.

The non-nomadic classification will enable some types of systems to be installed in areas of clear spectrum without the risk of interference in other areas. Since these systems are not mobile, and are not easily transported, they will pose no threat to microwave users in other areas. Northern Telecom supports UTAM's proposal that the Commission allow installation of non-nomadic systems in areas where spectrum is cleared. In addition, the UTAM proposal recognizes that through formal or informal coordination, it may be possible to deploy a non-nomadic PCS equipment in areas not yet fully cleared.

Without the Commission adopting the UTAM proposal, it would be many years, if ever, before unlicensed PCS service would

constraint upon the market, and would certainly curtail any development being done on unlicensed systems. Financing for clearing of the spectrum would be much harder to obtain than



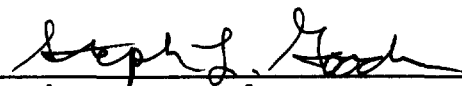
additional funding mechanisms in a way which is fair to all potential market players, small and large.

Conclusion

In conclusion, Northern Telecom recommends that the Commission adopt the proposal of UTAM. A consortium of companies that have a vested interest in clearing the unlicensed band will operate in the fairest and most efficient manner to open up this spectrum to new technologies. However, for this effort to be effective, the Commission must provide the organization with the power it needs to enforce its actions.

Respectfully submitted,

Northern Telecom Inc.

  
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